

8/9-13-91

ORDINANCE No. 115771

COUNCIL BILL No. 108671

AN ORDINANCE relating to disability compensation, amending SMC 4.44.020 to change City compensation additional to State Industrial Insurance and Medical Aid.

COMPTROLLER FILE No.

| | |
|--|---------------------------------------|
| Introduced: <u>8-5-91</u> | By: <u>Kraabel</u> |
| Referred: <u>8-5-91</u> | To: <u>Full Council</u> |
| Referred: | To: |
| Referred: | To: |
| Reported: <u>AUG 26 1991</u> | Second Reading: <u>AUG 26 1991</u> |
| Third Reading: <u>AUG 26 1991</u> | Signed: <u>AUG 26 1991</u> |
| Presented to Mayor: <u>AUG 27 1991</u> | Approved: <u>AUG 30 1991</u> |
| Returned to City Clerk: <u>SEP 3 1991</u> | Published: |
| Vetoed by Mayor: | Veto Published: |
| Passed over Veto: | Veto Sustained: |

UB5047

Law Department

The City of Seattle--Legis

REPORT OF COM

Honorable President:

Your Committee on

to which was referred the within Council Bill No. report that we have considered the same and respectfully reco

Full Council Vote 8-0

8/12/91 Held one week. Motion by

8/19/91 Held one week



Committee Chair

Law Department

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____

report that we have considered the same and respectfully recommend that the same:

Full Council Vote 8-0

8/12/91 Held one week. Motion by PK.

8/19/91 Held one week By Donaldson



Committee Chair

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ORDINANCE 115771

AN ORDINANCE relating to disability compensation, amending SMC 4.44.020 to change City compensation additional to State Industrial Insurance and Medical Aid.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code, Section 4.44.020 (Section 1 of Ordinance 90881 as last amended by Ordinance 111756) is further amended as follows:

A. Any City officer or employee otherwise entitled to sick leave and vacation benefits and for whom State Industrial Insurance and Medical Aid is provided, who shall be disabled in the discharge of his or her duties, and whose disablement results in absence from his or her regular duties, shall receive compensation, except as otherwise hereinafter provided, from the City in the amount his or her normal pay exceeds any state disability compensation ~~((for the first five (5) regularly scheduled workdays of such absence; additional absence shall be compensated for in the amount that eighty percent (80%) of normal pay exceeds any state disability compensation for not to exceed two hundred fifty five (255) additional regularly scheduled workdays;))~~ to equal eighty percent (80%) of the employee's normal hourly rate of pay, not to exceed two hundred sixty-one (261) regularly scheduled workdays counted from the first regularly scheduled workday on or after the fourth calendar day following the injury; provided, the disability sustained must qualify the employee for benefits under State Industrial Insurance and Medical Aid Acts. Such compensation shall be authorized by the Personnel Director, or his or her designee, with the advice of such employee's department head, on request from the employee supported by satisfactory evidence of medical treatment of the illness or injury

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1 giving rise to such employee's claim for compensation under this chapter. Such
2 employee shall continue to receive compensation at the rate provided for herein until
3 such employee returns to full-time active duty or such employee exhausts his or her
4 benefits hereunder, whichever occurs first.

5
6 B. Whenever an employee is injured on the job and compelled to seek
7 immediate medical treatment, the employee shall be compensated in full for the
8 remaining part of the day of injury without effect to his or her sick leave or vacation
9 account. Scheduled workdays falling within only the first three (3) calendar days
10 following the day of injury shall be compensable through accrued sick leave. Any
11 earned vacation may be used in a like manner after sick leave is exhausted, provided
12 that, if neither accrued sick leave nor accrued vacation is available, the employee shall
13 be placed on no pay status for these three (3) days. If the period of disability equals
14 or extends beyond fourteen (14) calendar days, then (1) any accrued sick leave or
15 vacation leave utilized that results in absence from his or her regular duties (up to a
16 maximum of eighty percent (80%) of the employee's normal hourly rate of pay per day)
17 shall be reinstated by Industrial Insurance or (2) if no sick leave or vacation leave was
18 available to the employee at that time, then the employee shall thereafter be compensat-
19 ed for the three (3) calendar days at the eighty percent (80%) compensation rate
20 described in Section A. The days reimbursed or thereafter compensated shall then
21 count toward the two hundred sixty-one (261) day maximum.
22

23
24 C. ((Such)) An employee's department head may recommend to the
25 Personnel Director denial of the employee's claim for benefits under the State Industrial
26 Insurance and Medical Aid Acts and under this chapter, and the Personnel Director shall
27 evaluate such recommendation and, if the Director concurs in such recommendation,
28

(To be used for all Ordinances except Emergency.)

request denial by the State Department of Labor and Industries of the employee's claim under said state acts. If the Personnel Director requests such denial, the employee shall be continued on the payroll of his or her department receiving continuous pay at a rate to be determined by the Personnel Director pursuant to applicable state law and City ordinances, until the State Department of Labor and Industries has reviewed and denied such claim.

Section 2. Changes in City compensation additional to State Industrial Insurance and Medical Aid as provided in Section 1 of this ordinance shall be applicable only to claims initially filed on or after the first day of the calendar month following the date this ordinance is passed by the City Council.

Section 3. Any act consistent with the authority and prior to the effective date of this ordinance is ratified and confirmed.

Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 26th day of August, 19 91,
and signed by me in open session in authentication of its passage this 26th day of August, 19 91.
Norman B. Rice
President of the City Council.
Approved by me this 30th day of August, 19 91.
Norman B. Rice
Mayor.
Filed by me this 3rd day of September, 19 91.

Attest: Norman B. Brooks
City Comptroller and City Clerk.

(SEAL)

Published.....

By Margaret Carter
Deputy Clerk.

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**Anticipated Savings from Proposed Changes
in Industrial Insurance Compensation
September 1991 through December 1992**

Assumptions:

- 1) Average hourly wage of City employees, per Labor Relations, is \$16.21.
- 2) Anticipated number of claims from September 1991 through December 1991 is 557.
- 3) Anticipated number of claims for 1992 is 1798.
- 4) 25% of claims have no time loss.
- 5) 25% of claims have time loss of 1-3 calendar days.
- 6) 25% of claims have time loss of 4-13 calendar days.
- 7) 25% of claims have time loss of 14 or more calendar days.
- 8) Average number of scheduled work days missed in the first three calendar days following an injury is 2.

The proposed changes will eliminate payment for the first 3 calendar days after an injury unless 14 or more consecutive days are missed (50% of claims).

The proposed changes will pay only 80% instead of 100% of wages for first 5 scheduled work days following an injury. Impacts 25% who will miss 14 or more days after an injury.

September 1991 through December 1991 Savings

- 557 Total claims
- 279 Claims missing an average of 2 work days in the first 3 calendar days following injury when period of disability is less than 14 days
- 139 claims receiving 80% instead of 100% of wages during first 5 work days following injury when period of disability is 14 days or more

279 x 8hrs x 2 days x \$16.21 = \$72,361
139 x 8hrs x 5 days x \$16.21 x 20% = 18,026

Total savings = \$90,387

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1992 Savings

1798 Anticipated claims

899 Claims missing an average of 2 work days in the 3 calendar days following injury.

450 Claims receiving 80% instead of 100% of wages during first 5 work days following injury.

899 x 8hrs x 2 days x \$16.21 = \$233,165
450 x 8hrs x 5 days x \$16.21 x 20% = 58,356

Total savings = \$291,521

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MT/tpj:NEWORD

City of Seattle Personnel Department

Norman B. Rice, Mayor Dwight K. Imanaka, Personnel Director



July 17, 1991

TO: Seattle City Council

VIA: Mayor Norman B. Rice

ATTENTION: Andrew J. Lofton
Budget Director

FROM: Dwight K. Imanaka
Personnel Director

SUBJECT: Attached Proposed Ordinance Amending SMC 4.44.020 to Change City Compensation Additional to State Industrial Insurance and Medical Aid

Background

The City is self-insured for compensation to an employee who suffers time loss from work for a job-related injury or illness that qualifies the employee for benefits under the State Industrial Insurance and Medical Aid Acts. The City's current level of industrial insurance compensation exceeds state requirements as follows:

1. The state law provides payment for time loss at 60% to 75% of the employee's normal monthly salary not to exceed 100% of the statewide average salary (currently \$22,401 per year). The City pays 100% of the employee's normal rate of pay for the first five regularly scheduled workdays and 80% of the employee's normal rate of pay for the next 255 regularly scheduled workdays. There is no maximum cap, and only retirement is deducted from these gross wages.
2. The state law does not require industrial insurance compensation be paid for any time loss occurring during the first three calendar days following the date of injury if the period of disability is less than 14 calendar days. The City currently pays 100% of the employee's normal rate of pay for scheduled workdays missed during the first three calendar days following the injury.

In 1986, a task force of City department heads expressed concern that take-home pay for industrial insurance coverage at 100% exceeds normal take-home pay because no taxes are deducted from industrial insurance compensation; therefore, the City's 100% paid compensation for the first five scheduled workdays creates an incentive for employees to

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take time loss and a disincentive to return to work prior to the end of the five days. For some employees, even the 80% level of compensation may exceed their normal take-home pay.

Based on the recommendation of the department head task force, the City proposed changes to the City's supplemental industrial insurance provisions in collective bargaining agreements open for renegotiation in 1986. Settlement on this issue was first reached with the Joint Crafts Council and Local 17 in 1937. Agreement with the other unions followed, concluding with the settlement covering uniformed Fire units in 1990. These negotiated settlements are specified as being effective upon revision of the City's ordinance providing this supplemental benefit.

Purpose of Proposed Ordinance

The purpose of the proposed ordinance, therefore, is to amend SMC 4.44.020 as contemplated by the provisions of the current collective bargaining agreements. The amendment will change the City's level of industrial insurance compensation for time loss as follows:

- 1) No compensation for time loss during the first three calendar days following a job-related injury will be allowed except in cases where the period of disability equals or exceeds 14 calendar days. This provision is the same as provided by the state.
- 2) Time loss compensation owed after the three-day waiting period will be paid at 80% of the employee's normal rate of pay for up to 261 regularly scheduled workdays. This provision still exceeds the state benefit.
- 3) In the event the period of disability continues for 14 or more calendar days following the date of injury, the employee will be paid for time loss during the first three days at the same percentage of normal wages as paid for time loss from the fourth day forward (80%), which still exceeds the state benefit.

Effect of Proposed Changes

- 1) Any time loss to seek medical treatment during the remainder of the employee's shift on the date of injury will continue to be paid by the City the same as for time worked.
- 2) The proposed changes to SMC 4.44.020 will eliminate the City's current practice of paying 100% of an employee's normal rate of pay as industrial

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Seattle City Council
July 17, 1991
Page 3

insurance compensation for time loss during the first five workdays scheduled after date of injury.

- 3) Employees may use accrued sick leave and/or vacation leave to cover scheduled workdays lost during the first three calendar days; any such use of paid leave will be restored provided the disability lasts for 14 or more consecutive days, thus qualifying the employee for industrial insurance compensation from the first day following the day of injury.
- 4) The compensation provided by this ordinance will be paid for a maximum of 261 scheduled workdays in the amount 80% of the employee's normal wages exceeds the amount of industrial insurance compensation required by state law, less only the deduction for retirement.

Anticipated Savings

Savings to the City are estimated at \$90,387 for the last four months of 1991 and at \$291,521 for calendar year 1992.

By a memorandum from the Labor Relations Director dated March 12, 1991, members of the City Council Labor Policy Committee were informed of a prospective ordinance to implement changes in the level of the benefit supplementing industrial insurance compensation. If passed by the Council during the month of August, the changes would become effective September 1, 1991, and would apply to any new claims filed on or after that date.

Questions regarding the City's industrial insurance compensation program may be referred to Mary Tannehill, Claims Manager (684-7859); questions regarding the attached legislation may be referred to Phyllis Dwyer, Labor Relations Analyst Supervisor (684-7871).

PD:hp

Attachments

pd\indinsu.ord

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City of Seattle

Executive Department-Office of Management and Budget

Andrew J. Lofton, Director
Norman B. Rice, Mayor

July 25, 1991



The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT: Personnel

SUBJECT: AN ORDINANCE relating to the disability compensation,
amending SMC 4.44.020 to change City compensation
additional to State Industrial Insurance and Medical Aid.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMB. Any specific questions regarding the legislation can be directed to Rod Brandon, at 684-8080.

Sincerely,

Norman B. Rice
Mayor

by

ANDREW J. LOFTON
Budget Director

ALrb/lwa

Enclosure

cc: Personnel Director

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TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY
THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

Salovee Sibonga

Paul J. [unclear]

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

C. S. 20.28

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City of Seattle
ORDINANCE 111771

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B. Whenever an employee is injured on the job and compelled to seek immediate medical treatment, the employee shall be compensated in full for the remaining part of the day of injury without effect to his or her sick leave or vacation account. Scheduled workdays falling within only the first three (3) calendar days following the day of injury shall be compensable through accrued sick leave. Any earned vacation may be used in a like manner after sick leave is exhausted, provided that if neither accrued sick leave nor accrued vacation is available, the employee shall be placed on no pay status for these three (3) days. If the period of disability equals or extends beyond fourteen (14) calendar days, then (1) any accrued sick leave or vacation leave utilized then results in absence from his or her regular duties (up to a maximum of eighty percent (80%) of the employee's normal hourly rate of pay per day) shall be reinstated by Industrial Insurance or (2) if no sick leave or vacation leave was available to the employee at that time, then the employee shall thereafter be compensated for the three (3) calendar days at the eighty percent (80%) compensation rate described in Section A. The days reimbursed or thereafter compensated shall then count toward the two hundred sixty-one (261) day maximum.

C. ((Such)) An employee's department head may recommend to the Personnel Director denial of the employee's claim for benefits under the State Industrial Insurance and Medical Aid Acts and under this chapter, and the Personnel Director shall evaluate such recommendation and, if the Director concurs in such recommendation, request denial by the State Department of Labor and Industries of the employee's claim under said state acts. If the Personnel Director requests such denial, the employee shall be continued on the payroll of his or her department receiving continuous pay at a rate to be determined by the Personnel Director pursuant to applicable state law and City ordinances, until the State Department of Labor and Industries has reviewed and denied such claim.

Section 2. Changes in City compensation additional to State Industrial Insurance and Medical Aid as provided in Section 1 of this ordinance shall be applicable only to claims initially filed on or after the first day of the calendar month following the date this ordinance is passed by the City Council.

Section 3. Any act consistent with the authority and prior to the effective date of this ordinance is ratified and confirmed.

Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 26th day of August, 1991, and signed by me in open session in authentication of its passage this 26th day of August, 1991.
PAUL KRAABEL,
President of the City Council.
Approved by me this 30th day of August, 1991.
NORMAN B. RICE,
Mayor.
Filed by me this 3rd day of September, 1991.
Attest: NORWARD J. BROOKS,
City Comptroller and City Clerk.
(Seal) By MARGARET CARTER,
Deputy Clerk.
Publication ordered by NORWARD J. BROOKS, Comptroller and City Clerk.
Date of official publication in Daily Journal of Commerce, Seattle, September 10, 1991. 9/10(8995)

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8995
City of Seattle

STATE OF WASHINGTON - KING COUNTY

-ss.

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

ORD: 115771

was published on

09/10/91

The amount of the fee charged for the foregoing publication is the sum of \$, which amount has been paid in full.

C. Trent

Subscribed and sworn to before me on
09/10/91

Jennifer A. Nicholson

Notary Public for the State of Washington,
residing in Seattle

Affidavit of Publication

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